

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 7-151, 7-152, 7-166, and 7-172 as follows:

6 (40 ILCS 5/7-151) (from Ch. 108 1/2, par. 7-151)

7 Sec. 7-151. Total and permanent disability benefits -
8 Commencement and duration. Permanent disability benefits
9 shall be payable:

10 (a) As of the date temporary disability benefits are
11 exhausted;

12 (b) Once a month as of the end of each month;

13 (c) For less than a month in a fraction equal to that
14 created by making the number of days of disability in the
15 month the numerator and the number of the days in the month
16 the denominator;

17 (d) To the beneficiary of a deceased employee for the
18 unpaid amount accrued to the date of death;

19 (e) While total and permanent disability continues;

20 (f) For the period ending on the last day of the month
21 which is the later of the following:

22 1. the month that the participating employee attains the
23 age for a full Social Security old-age insurance benefit age
24 65;

25 2. the month which is 5 years after the month the
26 participating employee became disabled as provided in Section
27 7-146.

28 (Source: P.A. 86-272.)

29 (40 ILCS 5/7-152) (from Ch. 108 1/2, par. 7-152)

30 Sec. 7-152. Disability benefits - Amount. The amount of

1 the monthly temporary and total and permanent disability
2 benefits shall be 50% of the participating employee's final
3 rate of earnings on the date disability was incurred, subject
4 to the following adjustments:

5 (a) If the participating employee has a reduced rate of
6 earnings at the time his employment ceases because of
7 disability, the rate of earnings shall be computed on the
8 basis of his last 12 month period of full-time employment.

9 (b) If the participating employee is eligible for a
10 disability benefit under the federal Social Security Act, the
11 amount of monthly disability benefits shall be reduced, but
12 not to less than \$10 a month, by the amount he would be
13 eligible to receive as a disability benefit under the federal
14 Social Security Act, whether or not because of service as a
15 covered employee under this Article. The reduction shall be
16 effective as of the month the employee is eligible for Social
17 Security disability benefits. The Board may make such
18 reduction if it appears that the employee may be so eligible
19 pending determination of eligibility and make an appropriate
20 adjustment if necessary after such determination. If the
21 employee, because of his refusal to accept rehabilitation
22 services under the federal Rehabilitation Act of 1973 or the
23 federal Social Security Act, or because he is receiving
24 workers' compensation benefits, has his Social Security
25 benefits reduced or terminated, the disability benefit shall
26 be reduced as if the employee were receiving his full Social
27 Security disability benefit.

28 (c) If the employee (i) is over the age for a full
29 Social Security old-age insurance benefit age-65, (ii) was
30 not eligible for a Social Security disability benefit
31 immediately before reaching that age, age-65 and (iii) is
32 eligible for a full Social Security old-age insurance
33 benefit, then the amount of the monthly disability benefit
34 shall be reduced, but not to less than \$10 a month, by the

1 amount of the old-age insurance benefit to which the employee
2 is entitled, whether or not the employee applies for the
3 Social Security old-age insurance benefit. This reduction
4 shall be made in the month after the month in which the
5 employee attains the age for a full Social Security old-age
6 insurance benefit age--65. However, if the employee was
7 receiving a Social Security disability benefit before
8 reaching the age for a full Social Security old-age insurance
9 benefit age-65, the disability benefits after that age age-65
10 shall be determined under subsection (b) of this Section.

11 (d) The amount of disability benefits shall not be
12 reduced by reason of any increase, other than one resulting
13 from a correction in the employee's wage records, in the
14 amount of disability or old-age insurance benefits under the
15 federal Social Security Act which takes effect after the
16 month of the initial reduction under paragraph (b) or (c) of
17 this Section.

18 (e) If the employee in any month receives compensation
19 from gainful employment which is more than 25% of the final
20 rate of earnings on which his disability benefits are based,
21 the temporary disability benefit payable for that month shall
22 be reduced by an amount equal to such excess.

23 (f) An employee who has been disabled for at least 30
24 days may return to work for the employer on a part-time basis
25 for a trial work period of up to one year, during which the
26 disability shall be deemed to continue. Service credit shall
27 continue to accrue and the disability benefit shall continue
28 to be paid during the trial work period, but the benefit
29 shall be reduced by the amount of earnings received by the
30 disabled employee. Return to service on a full-time basis
31 shall terminate the trial work period. The reduction under
32 this subsection (f) shall be in lieu of the reduction, if
33 any, required under subsection (e).

34 (g) Beginning January 1, 1988, every total and permanent

1 disability benefit shall be increased by 3% of the original
 2 amount of the benefit, not compounded, on each January 1
 3 following the later of (1) the date the total and permanent
 4 disability benefit begins, or (2) the date the total and
 5 permanent disability benefit would have begun if the employee
 6 had been paid a temporary disability benefit for 30 months.

7 (Source: P.A. 87-740.)

8 (40 ILCS 5/7-166) (from Ch. 108 1/2, par. 7-166)

9 Sec. 7-166. Separation benefits - Eligibility.

10 Separation benefits shall be payable as hereinafter set
 11 forth:

12 1. Upon separation from the service of all
 13 participating municipalities and instrumentalities
 14 thereof and participating instrumentalities, any
 15 participating employee who, on the date of application
 16 for such benefit, is not entitled to a retirement annuity
 17 shall be entitled to a separation benefit.†

18 2. Upon separation from the service of all
 19 participating municipalities and instrumentalities
 20 thereof and participating instrumentalities, any
 21 participating employee who, on the date of application
 22 for such benefit, is entitled to a retirement annuity of
 23 less than \$30 per month for life may elect to take a
 24 separation benefit in lieu of the retirement annuity.

25 3. Upon separation from the service of all
 26 participating municipalities and instrumentalities
 27 thereof and participating instrumentalities, any
 28 participating employee who, on the date of application
 29 for such benefit, is entitled to a retirement annuity,
 30 but wishes instead to use the amounts to his or her
 31 credit in the Fund to purchase credit in another
 32 retirement plan, may elect to take a separation benefit
 33 in lieu of the retirement annuity.

1 (Source: P.A. 91-887, eff. 7-6-00.)

2 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

3 Sec. 7-172. Contributions by participating
4 municipalities and participating instrumentalities.

5 (a) Each participating municipality and each
6 participating instrumentality shall make payment to the fund
7 as follows:

8 1. municipality contributions in an amount
9 determined by applying the municipality contribution rate
10 to each payment of earnings paid to each of its
11 participating employees;

12 2. an amount equal to the employee contributions
13 provided by paragraphs (a) and (b) of Section 7-173,
14 whether or not the employee contributions are withheld as
15 permitted by that Section;

16 3. all accounts receivable, together with interest
17 charged thereon, as provided in Section 7-209;

18 4. if it has no participating employees with
19 current earnings, an amount payable which, over a period
20 of 20 years beginning with the year following an award of
21 benefit, will amortize, at the effective rate for that
22 year, any negative balance in its municipality reserve
23 resulting from the award. This amount when established
24 will be payable as a separate contribution whether or not
25 it later has participating employees.

26 (b) A separate municipality contribution rate shall be
27 determined for each calendar year for all participating
28 municipalities together with all instrumentalities thereof.
29 The municipality contribution rate shall be determined for
30 participating instrumentalities as if they were participating
31 municipalities. The municipality contribution rate shall be
32 the sum of the following percentages:

33 1. The percentage of earnings of all the

1 participating employees of all participating
2 municipalities and participating instrumentalities which,
3 if paid over the entire period of their service, will be
4 sufficient when combined with all employee contributions
5 available for the payment of benefits, to provide all
6 annuities for participating employees, and the \$3,000
7 death benefit payable under Sections 7-158 and 7-164,
8 such percentage to be known as the normal cost rate.

9 2. The percentage of earnings of the participating
10 employees of each participating municipality and
11 participating instrumentalities necessary to adjust for
12 the difference between the present value of all benefits,
13 excluding temporary and total and permanent disability
14 and death benefits, to be provided for its participating
15 employees and the sum of its accumulated municipality
16 contributions and the accumulated employee contributions
17 and the present value of expected future employee and
18 municipality contributions pursuant to subparagraph 1 of
19 this paragraph (b). This adjustment shall be spread over
20 the remainder of the period that is allowable under
21 generally accepted accounting principles of 40 years from
22 the first of the year following the date of
23 determination.

24 3. The percentage of earnings of the participating
25 employees of all municipalities and participating
26 instrumentalities necessary to provide the present value
27 of all temporary and total and permanent disability
28 benefits granted during the most recent year for which
29 information is available.

30 4. The percentage of earnings of the participating
31 employees of all participating municipalities and
32 participating instrumentalities necessary to provide the
33 present value of the net single sum death benefits
34 expected to become payable from the reserve established

1 under Section 7-206 during the year for which this rate
2 is fixed.

3 5. The percentage of earnings necessary to meet any
4 deficiency arising in the Terminated Municipality
5 Reserve.

6 (c) A separate municipality contribution rate shall be
7 computed for each participating municipality or participating
8 instrumentality for its sheriff's law enforcement employees.

9 A separate municipality contribution rate shall be
10 computed for the sheriff's law enforcement employees of each
11 forest preserve district that elects to have such employees.
12 For the period from January 1, 1986 to December 31, 1986,
13 such rate shall be the forest preserve district's regular
14 rate plus 2%.

15 In the event that the Board determines that there is an
16 actuarial deficiency in the account of any municipality with
17 respect to a person who has elected to participate in the
18 Fund under Section 3-109.1 of this Code, the Board may adjust
19 the municipality's contribution rate so as to make up that
20 deficiency over such reasonable period of time as the Board
21 may determine.

22 (d) The Board may establish a separate municipality
23 contribution rate for all employees who are program
24 participants employed under the federal Comprehensive
25 Employment Training Act by all of the participating
26 municipalities and instrumentalities. The Board may also
27 provide that, in lieu of a separate municipality rate for
28 these employees, a portion of the municipality contributions
29 for such program participants shall be refunded or an extra
30 charge assessed so that the amount of municipality
31 contributions retained or received by the fund for all CETA
32 program participants shall be an amount equal to that which
33 would be provided by the separate municipality contribution
34 rate for all such program participants. Refunds shall be

1 made to prime sponsors of programs upon submission of a claim
2 therefor and extra charges shall be assessed to participating
3 municipalities and instrumentalities. In establishing the
4 municipality contribution rate as provided in paragraph (b)
5 of this Section, the use of a separate municipality
6 contribution rate for program participants or the refund of a
7 portion of the municipality contributions, as the case may
8 be, may be considered.

9 (e) Computations of municipality contribution rates for
10 the following calendar year shall be made prior to the
11 beginning of each year, from the information available at the
12 time the computations are made, and on the assumption that
13 the employees in each participating municipality or
14 participating instrumentality at such time will continue in
15 service until the end of such calendar year at their
16 respective rates of earnings at such time.

17 (f) Any municipality which is the recipient of State
18 allocations representing that municipality's contributions
19 for retirement annuity purposes on behalf of its employees as
20 provided in Section 12-21.16 of the Illinois Public Aid Code
21 shall pay the allocations so received to the Board for such
22 purpose. Estimates of State allocations to be received
23 during any taxable year shall be considered in the
24 determination of the municipality's tax rate for that year
25 under Section 7-171. If a special tax is levied under
26 Section 7-171, none of the proceeds may be used to reimburse
27 the municipality for the amount of State allocations received
28 and paid to the Board. Any multiple-county or consolidated
29 health department which receives contributions from a county
30 under Section 11.2 of "An Act in relation to establishment
31 and maintenance of county and multiple-county health
32 departments", approved July 9, 1943, as amended, or
33 distributions under Section 3 of the Department of Public
34 Health Act, shall use these only for municipality

1 contributions by the health department.

2 (g) Municipality contributions for the several purposes
3 specified shall, for township treasurers and employees in the
4 offices of the township treasurers who meet the qualifying
5 conditions for coverage hereunder, be allocated among the
6 several school districts and parts of school districts
7 serviced by such treasurers and employees in the proportion
8 which the amount of school funds of each district or part of
9 a district handled by the treasurer bears to the total amount
10 of all school funds handled by the treasurer.

11 From the funds subject to allocation among districts and
12 parts of districts pursuant to the School Code, the trustees
13 shall withhold the proportionate share of the liability for
14 municipality contributions imposed upon such districts by
15 this Section, in respect to such township treasurers and
16 employees and remit the same to the Board.

17 The municipality contribution rate for an educational
18 service center shall initially be the same rate for each year
19 as the regional office of education or school district which
20 serves as its administrative agent. When actuarial data
21 become available, a separate rate shall be established as
22 provided in subparagraph (i) of this Section.

23 The municipality contribution rate for a public agency,
24 other than a vocational education cooperative, formed under
25 the Intergovernmental Cooperation Act shall initially be the
26 average rate for the municipalities which are parties to the
27 intergovernmental agreement. When actuarial data become
28 available, a separate rate shall be established as provided
29 in subparagraph (i) of this Section.

30 (h) Each participating municipality and participating
31 instrumentality shall make the contributions in the amounts
32 provided in this Section in the manner prescribed from time
33 to time by the Board and all such contributions shall be
34 obligations of the respective participating municipalities

1 and participating instrumentalities to this fund. The
 2 failure to deduct any employee contributions shall not
 3 relieve the participating municipality or participating
 4 instrumentality of its obligation to this fund. Delinquent
 5 payments of contributions due under this Section may, with
 6 interest, be recovered by civil action against the
 7 participating municipalities or participating
 8 instrumentalities. Municipality contributions, other than
 9 the amount necessary for employee contributions and Social
 10 Security contributions, for periods of service by employees
 11 from whose earnings no deductions were made for employee
 12 contributions to the fund, may be charged to the municipality
 13 reserve for the municipality or participating
 14 instrumentality.

15 (i) Contributions by participating instrumentalities
 16 shall be determined as provided herein except that the
 17 percentage derived under subparagraph 2 of paragraph (b) of
 18 this Section, and the amount payable under subparagraph 5 of
 19 paragraph (a) of this Section, shall be based on an
 20 amortization period of 10 years.

21 (Source: P.A. 90-448, eff. 8-16-97.)

22 Section 90. The State Mandates Act is amended by adding
 23 Section 8.25 as follows:

24 (30 ILCS 805/8.25 new)

25 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
 26 and 8 of this Act, no reimbursement by the State is required
 27 for the implementation of any mandate created by this
 28 amendatory Act of the 92nd General Assembly.

29 Section 99. Effective date. This Act takes effect upon
 30 becoming law.